Province of
Newfoundland and Labrador

Public Accounts Volume II
Consolidated Revenue Fund
Financial Statements

FOR THE YEAR ENDED
MARCH 31, 2011

Province of Newfoundland and Labrador

Public Accounts

Volume II

Consolidated Revenue Fund
Financial Statements

For The Year Ended
31 March 2011

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INTRODUCTION

The *Financial Administration Act* requires that all revenues over which the Legislature has power of appropriation shall form one Consolidated Revenue Fund. The financial statements of the Consolidated Revenue Fund of the Province of Newfoundland and Labrador are presented through the publication of the Public Accounts, Volume II.

These statements are prepared on the accrual basis of accounting in accordance with the Public Sector Accounting Standards of the Canadian Institute of Chartered Accountants, and as outlined in the significant accounting policies of the Province. They are prepared by the Comptroller General of Finance and are audited by the Auditor General, who presents an annual report to the House of Assembly on the results of his audit. Budget figures, where available, are provided on several Statements for comparison purposes.

The Public Accounts for the year ended 31 March 2011 also includes one other volume, Volume I - Consolidated Summary Financial Statements. It presents the summary financial statements which consolidate the financial statements of the Consolidated Revenue Fund with the financial statements of various Crown Corporations, Boards and Authorities, as approved by Treasury Board, which are controlled by the Government of Newfoundland and Labrador.

The Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for 2010-11 was released in August 2011 and presents expenditures and revenues using the modified cash basis of accounting. This is the same basis used to prepare the budgeted appropriations and revenues as per the Estimates. Another report containing a reproduction of the available financial statements of the Crown Corporations, Boards and Authorities was released as a separate report in December 2011. These reports are available online at the address noted below.

The Public Accounts of the Province are tabled in the House of Assembly in accordance with Section 60 of the *Financial Administration Act*.

Internet Address

The Public Accounts are available on the Internet at:
http://www.fin.gov.nl.ca/fin/public_accounts/index.html

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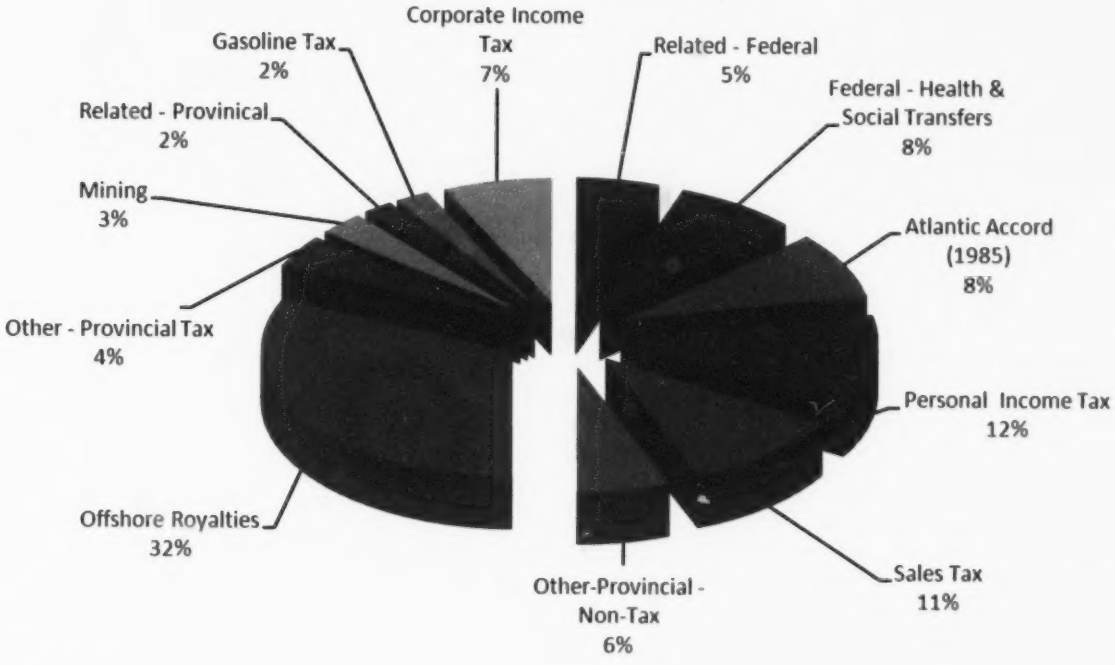
Revenue

Total revenue was $7.58 billion in 2010-11 which consisted of federal revenues of $1.65 billion and provincial revenues of $5.93 billion.

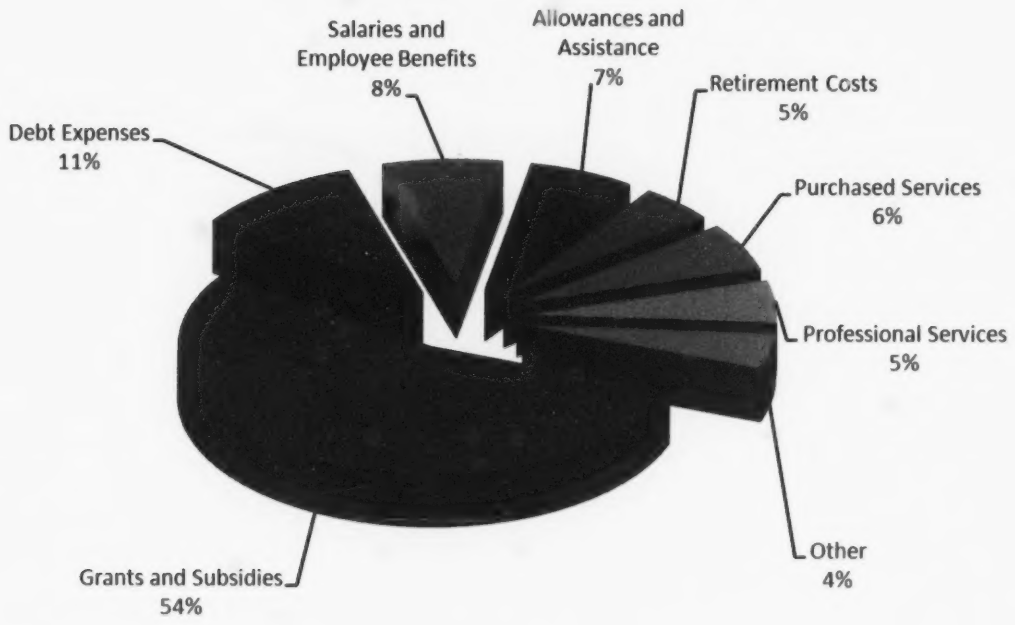
Revenue by Source - 31 March 2011



Expense

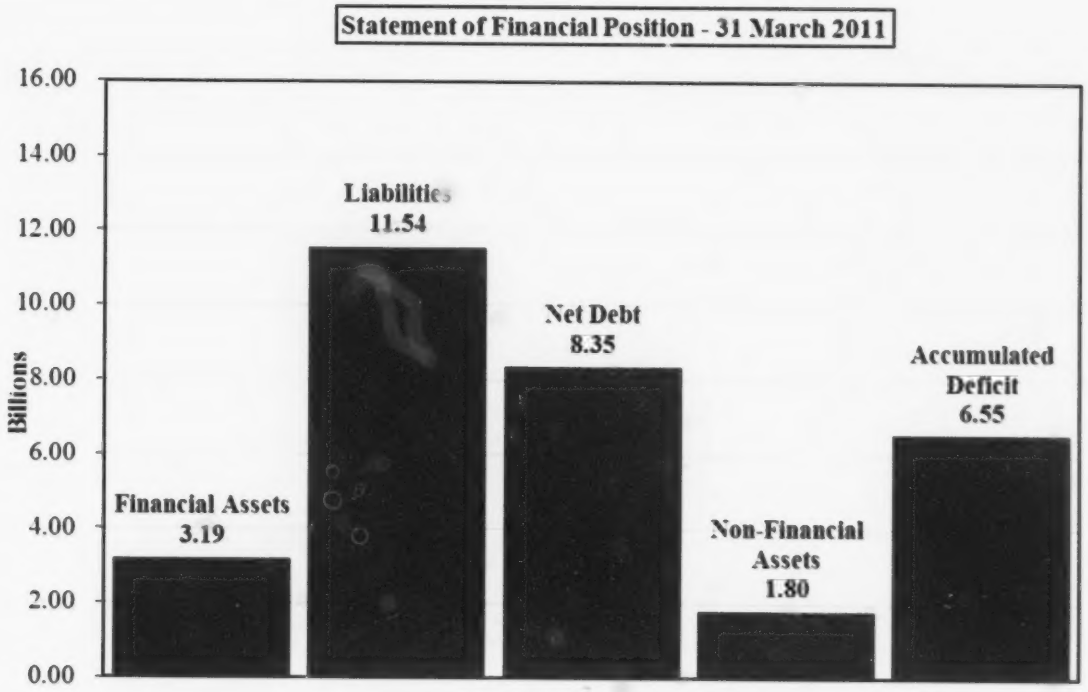
Total expenses were $7.16 billion in 2010-11. Grants and subsidies of $3.86 billion and debt expenses of $0.77 billion represented approximately 65% of this amount.

Expenses by Category - 31 March 2011



Financial Position

Net Debt of $8.35 billion consisted of $11.54 billion in liabilities less $3.19 billion in financial assets. Accumulated Deficit of $6.55 billion consisted of $8.35 billion in Net Debt less $1.80 billion in non-financial assets.



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Newfoundland Labrador

Government of Newfoundland and Labrador
Department of Finance

9 December 2011

STATEMENT OF RESPONSIBILITY

Responsibility for the integrity, objectivity and fair presentation of the financial statements of the Consolidated Revenue Fund rests with the Government. As required under Section 59 of the *Financial Administration Act*, these financial statements are prepared by the Comptroller General of Finance in accordance with the applicable legislation and in accordance with the accounting policies as disclosed in Note 1 to these financial statements. Additionally, information has been provided by various government departments as required by Section 20 of the *Financial Administration Act*.

The Government is responsible for maintaining a system of internal accounting and administrative controls in order to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and financial records are properly maintained.

The financial statements in this volume include a Statement of Financial Position, a Statement of Change in Net Debt, a Statement of Operations, a Statement of Change in Accumulated Deficit, a Statement of Cash Flows and notes. Other schedules and notes that are included also form an integral part of these statements.

Pursuant to Section 11 of the *Auditor General Act*, the Auditor General of Newfoundland and Labrador provides an independent opinion on the financial statements.

THOMAS W. MARSHALL, Q.C.
Minister of Finance and President
of Treasury Board

RONALD A. WILLIAMS, CA
Comptroller General of Finance

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OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland and Labrador

AUDITOR'S REPORT

To the House of Assembly
Province of Newfoundland and Labrador

Report on the Financial Statements

I have audited the accompanying financial statements of the Consolidated Revenue Fund of the Province of Newfoundland and Labrador, which comprise the statement of financial position as at 31 March 2011, and the statements of change in net debt, operations, change in accumulated deficit, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Government's Responsibility for the Financial Statements

Government is responsible for the preparation and fair presentation of these financial statements as required by Section 59 of the *Financial Administration Act* and in accordance with the accounting policies as disclosed in Note 1 to these financial statements, and for such internal control as Government determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Government, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Consolidated Revenue Fund as at 31 March 2011, and the results of its operations, the change in its net debt, the change in its accumulated deficit, and its cash flows for the year then ended in accordance with the accounting policies disclosed in Note 1 to these financial statements.

Report on Other Legal and Regulatory Requirements

As required under Section 11 of the *Auditor General Act*, I also report that in my opinion, these financial statements present fairly, in all material respects, the financial position of the Consolidated Revenue Fund as at 31 March 2011, and the results of its operations, the change in its net debt, the change in its accumulated deficit, and its cash flows for the year then ended in accordance with the accounting policies as disclosed in Note 1 to these financial statements applied on a basis consistent with that of the preceding year.

Other Matter

These financial statements have been prepared solely to present the activities of the Consolidated Revenue Fund for the year ended 31 March 2011. However, significant financial activities of the Province occur outside of the Consolidated Revenue Fund. These activities, together with those of the Consolidated Revenue Fund, are included in the consolidated summary financial statements of the Province and it is for this reason that those financial statements provide a more comprehensive accounting of the Province's financial position and the results of its operations, the change in its net debt, the change in its accumulated deficit, and its cash flows. A separate Auditor's Report is provided on the consolidated summary financial statements.

WAYNE R. LOVEYS, CMA
Auditor General (A)

9 December 2011
St. John's, Newfoundland and Labrador

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Financial Position
As at 31 March 2011
with comparative figures for 2010

		Actuals 2011 ($000)	Actuals 2010 ($000)
	FINANCIAL ASSETS		
	Cash and temporary investments at cost - notes 2, 16	1,733,815	1,404,898
	Government of Canada - claims in process - note 3	181,701	112,193
Sch. A	Accounts and taxes receivable	868,476	781,880
	Less: Allowance for doubtful accounts	77,718	76,943
		790,758	704,937
Sch. B	Loans, advances and mortgages receivable	96,903	94,652
	Less: Allowance for doubtful accounts	82,883	82,839
		14,020	11,813
Sch. C	Investments at cost	478,580	456,620
	Less: Allowance for investment writedowns	5,832	3,250
		472,748	453,370
	Total Financial Assets	3,193,042	2,687,211
	LIABILITIES		
Sch. E	Other liabilities	1,623,948	1,508,341
	Deferred revenue - note 4	35,269	44,659
Sch. F	Debenture and other debt	6,178,396	6,381,596
	Less: Sinking fund assets - note 5	924,322	856,233
	Plus: Unamortized unrealized foreign exchange gains (losses) - note 6.	218,356	205,556
		5,472,430	5,730,919
	Group health and life insurance retirement benefits - note 8	1,820,898	1,689,534
	Unfunded pension liability - note 9	2,586,955	2,114,690
	Total Liabilities	11,539,500	11,088,143
	NET DEBT	8,346,458	8,400,932
	NON-FINANCIAL ASSETS		
Sch. D	Tangible capital assets	1,771,066	1,411,342
	Prepaid expenses	5,844	6,301
	Inventories of supplies	24,325	21,851
	Total Non-Financial Assets	1,801,235	1,439,494
	ACCUMULATED DEFICIT	6,545,223	6,961,438

The accompanying notes and supporting schedules form an integral part of the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Change in Net Debt
For the year ended 31 March 2011
with comparative figures for 2010

	Actuals 2011	Original Estimates 2011 (Note 17)	Actuals 2010
	($000)	($000)	($000)
NET DEBT - beginning of period	8,400,932	12,439,399	8,171,265
Surplus (Deficit) for the period	416,215	(289,184)	(80,281)
Changes in tangible capital assets			
Acquisition of tangible capital assets	490,078	507,257	238,433
Net book value of tangible capital asset disposals	(4,940)	-	(346)
Amortization of tangible capital assets	(125,414)	(97,982)	(94,219)
Increase (Decrease) in net book value of tangible capital assets	359,724	409,275	143,868
Changes in other non-financial assets			
Acquisition of prepaid expenses (net of usage)	(457)		1,364
Acquisition of inventories of supplies (net of usage)	2,474		4,154
Increase (Decrease) in other non-financial assets	2,017		5,518
Increase (Decrease) in net debt	(54,474)	698,459	229,667
NET DEBT - end of period	8,346,458	13,137,858	8,400,932

The accompanying notes and supporting schedules form an integral part of the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Operations
For the year ended 31 March 2011
with comparative figures for 2010

	Actuals 2011 ($000)	Original Estimates 2011 (Note 17) ($000)	Actuals 2010 ($000)
REVENUE			
Provincial			
Tax Revenue			
Sales	799,850	766,135	703,975
Personal income	886,797	835,500	817,378
Gasoline	168,902	161,160	155,391
Corporate income	532,588	323,515	594,935
Mining and mineral rights	228,076	76,083	84,849
Other	315,084	275,502	282,198
Non-Tax Revenue			
Offshore royalties	2,399,444	2,162,200	2,121,311
Investment income	238,111	233,828	239,796
Fees and fines	174,406	149,975	162,284
Other	43,015	-	-
Related revenue	148,048	146,764	152,443
Government of Canada			
Atlantic Accord (1985)	641,862	641,861	465,288
Health and social transfers	597,506	617,835	686,317
Other	1,708	1,697	1,708
Related revenue	406,667	451,957	295,719
Total Revenue	7,582,064	6,844,012	6,763,592
EXPENSE			
Salaries	522,736	518,925	485,725
Employee benefits	24,376	16,066	30,173
Retirement costs	343,822	315,088	363,214
Transportation and communications	46,917	50,854	48,750
Supplies	102,160	96,975	97,369
Professional services	393,147	427,631	387,220
Purchased services	425,461	385,148	399,045
Property, furnishings and equipment	58,359	68,747	69,605
Allowances and assistance	484,189	485,479	460,523
Grants and subsidies	3,861,815	3,923,981	3,578,703
Debt expenses	774,769	744,628	823,764
Amortization (tangible capital assets)	125,414	97,982	94,219
Bad debt expenses	2,684	1,692	5,563
Total Expense	7,165,849	7,133,196	6,843,873
ANNUAL SURPLUS (DEFICIT) - note 10	416,215	(289,184)	(80,281)

The accompanying notes and supporting schedules form an integral part of the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Change in Accumulated Deficit
For the year ended 31 March 2011
with comparative figures for 2010

	Actuals 2011	Original Estimates 2011 (Note 17)	Actuals 2010
	($000)	($000)	($000)
ACCUMULATED DEFICIT - beginning of period	6,961,438		6,881,157
Surplus (Deficit) for the period	416,215	(289,184)	(80,281)
ACCUMULATED DEFICIT - end of period	6,545,223		6,961,438

The accompanying notes and supporting schedules form an integral part of the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Cash Flows
For the year ended 31 March 2011
with comparative figures for 2010

	Actuals 2011 ($000)	Actuals 2010 ($000)
Funds provided from (applied to):		
OPERATIONS		
Annual surplus (deficit)	416,215	(80,281)
Add (Deduct) non-cash items:		
Amortization of foreign exchange (gains)/losses	(17,774)	(997)
Amortization of tangible capital assets	125,414	94,219
April writebacks	196,267	(28,931)
Deferred revenue	(9,390)	(39,445)
Other	(225,469)	(330,787)
Retirement costs	603,631	661,490
Sinking funds	(46,132)	(47,562)
Valuation allowances	173	4,169
Net cash provided from (applied to) operating transactions	1,042,935	231,875
CAPITAL		
Acquisitions	(490,078)	(238,433)
Disposals	2,285	-
Net cash provided from (applied to) capital transactions	(487,793)	(238,433)
FINANCING		
Debt assumed	103,246	-
Debt retirement	(246,627)	(301,063)
Retirement of pension liabilities	-	(100,000)
Sinking fund contributions	(50,153)	(52,653)
Sinking fund proceeds	-	55,875
Special purpose funds/contractors' holdback funds	(7,400)	10,415
Treasury bills purchased	2,009,951	1,974,852
Treasury bills redeemed	(2,010,974)	(1,974,265)
Net cash provided from (applied to) financing transactions	(201,957)	(386,839)
INVESTING		
Loan advances and investments	(25,527)	(52,349)
Loan repayments	1,259	157
Net cash provided from (applied to) investing transactions	(24,268)	(52,192)
Net cash provided (applied)	328,917	(445,589)
Cash and temporary investments - beginning of period	1,404,898	1,850,487
CASH AND TEMPORARY INVESTMENTS - end of period - note 2	1,733,815	1,404,898

The accompanying notes and supporting schedules form an integral part of the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Notes to the Financial Statements
For the year ended 31 March 2011

1. Summary of Significant Accounting Policies

(a) The Reporting Entity

The Reporting Entity includes the accounts and financial activities of the Consolidated Revenue Fund. Pursuant to the *Financial Administration Act* of the Province all public monies are accounted for through the Fund.

(b) Basis of Accounting

(i) *Method*

These financial statements are prepared on the accrual basis of accounting, revenues being recorded when earned and expenses being recorded when liabilities are incurred, with exceptions made in accordance with the applicable significant accounting policies.

(ii) *Revenues*

Revenues from the Government of Canada under the federal-provincial fiscal arrangements, health and social transfers and tax collection agreements are based on regular entitlements received for the current year and adjusted against future years' revenues when known.

Other revenues are recorded on an accrual basis.

(iii) *Expenses*

Expenses are recorded on an accrual basis.

Retirement related costs are determined as the cost of benefits and interest on the liabilities accrued, as well as amortization of experience gains and losses.

(iv) *Assets*

Temporary investments are recorded at cost or market value, whichever is lower.

Government of Canada - claims in process are recorded as a receivable based on claims outstanding at 31 March and relate mainly to cost-shared agreements.

Inventories of supplies are comprised of items which are held for consumption that will be used by the Province in the course of its operations.

Accounts and taxes receivable are recorded for all amounts due for work performed and goods or services supplied. Valuation allowances are provided when collection is considered doubtful.

Loans, advances and mortgages receivable are recorded at cost. Valuation allowances are recorded to reflect assets at the lower of cost or net recoverable value. Loans made by the Province that are expected to be recovered from future appropriations are accounted for as expenses by providing valuation allowances. Interest revenue on loans receivable is recognized when earned and ceases when collection is not reasonably assured.

Investments are recorded at cost and are written down when there is a loss in value that is other than a temporary decline.

Tangible capital assets held by the Province are recorded at cost or estimated cost less accumulated amortization.

Unrealized foreign exchange gains or losses are deferred and amortized on a straight line basis over the remaining term of the debt.

(v) *Liabilities*

Other liabilities are recorded for all amounts due for work performed, goods or services received or for charges incurred in accordance with the terms of a contract.

Deferred revenue represents amounts received but not earned.

Debenture and other debt, except treasury bills, are recorded at face value. Treasury bills are recorded at net proceeds.

The Province records foreign-denominated debt in Canadian dollars translated at the exchange rate on the transaction date which is considered to be the issue date; except for the proceeds of hedged transactions which are recorded at the rate as established by the terms of that hedge. Foreign-denominated sinking fund assets are also recorded in Canadian dollars and transactions are translated at the exchange rate used in recording the related debt. At 31 March, foreign debt and sinking funds are adjusted to reflect the exchange rate in effect on that date.

(vi) *Government Transfers*

Government transfers are recognized by the Province as revenues or expenses in the period during which both the payment is authorized and any eligibility criteria are met.

(vii) *Loan Guarantees*

The Province has guaranteed the repayment of principal and interest on certain debentures and bank loans on behalf of Crown corporations, municipalities, private sector companies and certain individuals. A provision for losses on these guarantees is established when it is determined that a loss is likely.

(c) Generally Accepted Accounting Principles

The accounting policies followed in the preparation of these financial statements have been applied consistent with generally accepted accounting principles for senior governments as established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

2. Cash and Temporary Investments

Cash and temporary investments consist of:

	31 March 2011	31 March 2010
	($mil)	($mil)
Cash balance (overdraft)	1,183.2	1,385.9
Temporary investments - note 16	550.6	19.0
Total: Cash and Temporary Investments	1,733.8	1,404.9

As at 31 March 2011, these investments have maturity dates ranging from 8 April 2011 to 31 March 2013 at interest rates ranging from 1.16% to 1.21% .

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Government of Canada - Claims in Process

Consists of:

	31 March 2011	31 March 2010
	($mil)	($mil)
Claims receivable at 31 March not received in April	134.0	85.2
Receipts in April	47.7	27.0
Total: Government of Canada - Claims in Progress	181.7	112.2

4. Deferred Revenue

Consists of:

	31 March 2011	31 March 2010	Change
	($mil)	($mil)	($mil)
Federal initiatives in support of public transit, clean air and climate change, affordable housing, community development, employment development and police officers	15.5	29.2	(13.7)
Federal government funding for various health care initiatives	10.9	15.2	(4.3)
Gas tax initiatives	8.5	-	8.5
Other miscellaneous programs	0.4	0.3	0.1
Total: Deferred Revenue	35.3	44.7	(9.4)

The balance as of 31 March 2011 will be recognized as revenue in the periods in which the revenue recognition criteria have been met.

5. Sinking Fund

The value of the sinking funds as recorded in the Newfoundland and Labrador Government Sinking Fund financial statements is reflected in these financial statements.

The Sinking Fund Assets consist of:

	31 March 2011	31 March 2010
	($mil)	($mil)
Investments at cost	768.8	691.9
Amortization of bond discount	114.7	101.0
Investments at amortized cost	883.5	792.9
Cash and receivables less accounts payable	40.8	63.3
Net Sinking Fund Assets - translated at 31 March	924.3	856.2

The net sinking fund assets balance of $924.3 million Canadian dollars as at 31 March 2011 includes $290.4 million U.S. dollars translated to $281.6 million Canadian dollars in accordance with current practice.

The net sinking fund assets balance of $856.2 million Canadian dollars as at 31 March 2010 includes $267.6 million U.S. dollars translated to $271.8 million Canadian dollars in accordance with current practice.

The Province does not anticipate conversion of the U.S. dollars to Canadian dollars as the U.S. funds will be used to retire U.S. debt.

6. Unamortized Unrealized Foreign Exchange Gains and Losses

Foreign currency debt and sinking funds are translated to Canadian dollars at the exchange rate at 31 March 2011 or the exchange rate at maturity for those debt and sinking funds retired during the fiscal year. See Schedule F - Debenture and Other Debt. Details of the effect of these translations at year end are outlined in the table below.

The net amortization expense is $17.8 million which represents a credit adjustment (31 March 2010 - $0.8 million-credit adjustment). This is included in debt expenses on the Statement of Operations.

	31 March 2011	31 March 2010
	($mil)	($mil)
Foreign exchange gain (loss):		
Debt	253.5	205.0
Sinking funds	(70.2)	(52.3)
Net foreign exchange gains (losses)	183.3	152.7
Total accumulated amortization	35.1	52.9
Net unamortized unrealized foreign exchange gains (losses)	218.4	205.6

7. Provision for Guaranteed Debt

The provision for possible losses on guaranteed debt is nil (31 March 2010 - nil) (see note 12(a)).

8. Retirement Benefits - Group Health and Life Insurance

All retired employees of the Government of Newfoundland and Labrador who are receiving a pension from the Public Service Pension Plan, Uniformed Services Pension Plan, Members of the House of Assembly Pension Plan or the Provincial Court Judges' Pension Plan are eligible to participate in the group insurance program sponsored by Government. All retired teachers who are receiving a pension from the Teachers' Pension Plan are eligible for coverage under the group insurance program sponsored by the Newfoundland and Labrador Teachers Association (NLTA) and cost shared by Government. These programs provide both group health and group life benefits to enrolled retirees.

Under Government's program, the Province contributes 50% towards group health and group life premiums for both employees and retirees. Government also contributes 50% towards group health and group life premiums for both teachers and retirees insured under the programs sponsored by the NLTA, subject to the maximum rates under Government's program. As at 31 March 2011, the plans provided benefits to 18,865 retirees.

Actuarial Valuations

An actuarial extrapolation was prepared to 31 March 2011 by the Province's actuaries based on the latest actuarial valuation (valuation date 31 March 2009) for the programs sponsored by the Province and the NLTA. The actuarial extrapolation was based on a number of assumptions about future events including an interest rate of 4.65%, Consumer Price Index (CPI) of 2.50%, as well as other assumptions such as health care cost trends, wage and salary increases, termination rates, plan participation rates, utilization rates and mortality. The assumptions used reflect the Province's best estimates of expected long-term rates and short-term forecasts.

Group Health and Life Insurance Retirement Benefits Liability

Details of the group health and life insurance retirement benefits liability are outlined in the table below:

Plan	Estimated Accrued Benefit Obligation	Unamortized Experience Losses	Net Liability 2011	Net Liability 2010	Change
	($mil)	($mil)	($mil)	($mil)	($mil)
Group health retirement benefits	2,086.1	(345.7)	1,740.4	1,610.9	129.5
Group life insurance retirement benefits	93.2	(12.7)	80.5	78.6	1.9
Total	2,179.3	(358.4)	1,820.9	1,689.5	131.4

There are no fund assets associated with these plans.

Group Health and Life Insurance Retirement Benefits Expense

In these statements, group health and life insurance retirement benefits costs have been determined as the cost of benefits accrued during the period. Interest on the liability has been accrued for the same period.

The change in the liability for the current period is comprised of the following amounts:

Plan	Province's Share of Current Period Costs	Interest Expense on the Liability	Province's Current Period Contributions	Current Period Amortization of Experience Changes	Plan Amendments	Change
	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)
Group health retirement benefits	52.2	92.5	(30.8)	15.6	-	129.5
Group life insurance retirement benefits	1.5	4.3	(4.3)	0.4	-	1.9
Total	53.7	96.8	(35.1)	16.0	-	131.4

Interest expense related to the group health and life insurance retirement benefits liability is included with interest as debt expenses in the financial statements. Interest related to group health and life insurance retirement benefits for 31 March 2010 amounted to $91.1 million.

Experience Gains or Losses

Experience gains or losses are amortized over the estimated average remaining service life of active participants. The amortization amount is included with retirement costs in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

9. Retirement Benefits - Pensions

Defined Benefits

The Government of Newfoundland and Labrador guarantees defined benefit pension plans for substantially all of its full time employees, and those of its Agencies, Boards and Commissions and for members of its Legislature. The plans are - the Public Service Pension Plan, Teachers' Pension Plan, Uniformed Services Pension Plan, the Members of the House of Assembly Pension Plan, and the Provincial Court Judges' Pension Plan. Combined, the plans have 38,650 participants as at 31 March 2011.

The Plans provide for pensions based on employees' length of service and highest average earnings. Employees contribute a defined percentage of their salary, and the employer generally matches this amount. As at 31 March 2011, the plans provided benefits to 24,254 pensioners. Inflation protection is not extended to pensioners of the Uniformed Services Pension Plan or the Members of the House of Assembly Pension Plan nor to pensioners of the Teachers' Pension Plan who retired prior to 1 September 1998.

In 1980, the Province of Newfoundland and Labrador Pooled Pension Fund was established by the *Pensions Funding Act*, with the Minister of Finance as Trustee. This Fund administers all financial activity of these five plans, including the collection of all contributions and the payment of pensions and the investment of funds. The Consolidated Revenue Fund guarantees any deficiency in the event assets of a plan are insufficient to meet benefit payments or administration costs.

Contribution and Benefit Formulae

Public Service Pension Plan

Employee contributions are 8.6% of pensionable salary, less a formulated amount representing contributions to the Canada Pension Plan (CPP). A pension benefit is available based on the number of years of pensionable service times 2% of the employee's best five years average salary, reduced by a formulated amount representing CPP pension benefits for each year since 1967.

During 2006-07 plan legislation was enacted consistent with the two components of the Plan. The Registered component will continue to be administered within the Province of Newfoundland and Labrador Pooled Pension Fund and will provide benefits based on limits set out in the federal *Income Tax Act*. The Supplementary component will be administered in the accounts of the Consolidated Revenue Fund and will provide for the remainder of benefits under the Plan.

Teachers' Pension Plan

Employee contributions are 9.35% of pensionable salary. A pension benefit is available based on the number of years of pensionable service prior to 1 January 1991 times 1/45th of the employee's best five years average salary, plus 2% of the employee's best five years average salary times years of pensionable service after that date, reduced by a formulated amount representing CPP pension benefits for each year since 1967. The CPP reduction only applies to pensioners who retired after 31 August 1998.

During 2006-07 plan legislation was enacted consistent with the two components of the Plan. The Registered component will continue to be administered within the Province of Newfoundland and Labrador Pooled Pension Fund and will provide benefits based on limits set out in the federal *Income Tax Act*. The Supplementary component will be administered in the accounts of the Consolidated Revenue Fund and will provide for the remainder of benefits under the Plan.

Uniformed Services Pension Plan

Employee contributions are 9.95% of pensionable salary, less a formulated amount representing contributions to the CPP. A pension benefit is available based on the number of years pensionable service times 2% of the employee's best three years average salary, reduced by a formulated amount representing CPP pension benefits since 1967. Grandfathered members have higher service accrual pensions in recognition of their higher contributions.

Members of the House of Assembly Pension Plan

Member contributions are 9% of pensionable salary, which includes salary as a Minister, if applicable. A pension benefit is available after serving as a Member in, at least, two General Assemblies and for, at least, five years. The benefit formula is based on years of service expressed as a percentage of the average pensionable salary for the best three years. The percentage varies being 5% for each of the first ten years, 4% for each of the next five years and 2.5% for each of the next two years of service as a Member. For members elected for the first time after 1 April 1998, the percentage is 5% for the first ten years and 2.5% for each of the next ten years. For members elected for the first time after 31 December 2009, the percentage is 3.5% for each year of service as a Member. The accrued benefit is reduced by a formulated amount representing CPP pension benefits for each year since 1967. Ministers receive an additional pension amount calculated similarly, based on service and pensionable salary as a Minister.

During 2005-06 the *Members of the House of Assembly Retiring Allowances Act* was enacted to restructure the Members of the House of Assembly Pension Plan into two components based on limits set out in the federal *Income Tax Act*. The first, or Registered component, will continue to be administered within the Province of Newfoundland and Labrador Pooled Pension Fund. The second, or the Supplementary Employee Retirement component, will be administered in the accounts of the Consolidated Revenue Fund.

Provincial Court Judges' Pension Plan

Effective 1 April 2002 (pursuant to the *Provincial Court Judges' Pension Plan Act* enacted 8 June 2004) the Provincial Court Judges' Pension Plan was established with then-existing judges being given the one-time option of transferring from the Public Service Pension Plan. All judges appointed subsequent to 1 April 2002 are required to join this Plan. Employee contributions are 9% of pensionable salary. A pension benefit is available based on the number of years pensionable service times 3.33% of the judge's annual salary. The Registered component of the Plan, administered within the Province of Newfoundland and Labrador Pooled Pension Fund, provides benefits based on limits set out in the federal *Income Tax Act* with the remainder of the benefit provided by the Supplementary component. The Supplementary component will be administered in the accounts of the Consolidated Revenue Fund.

Actuarial Valuations

The actuarial valuations which are prepared by the Province's actuaries were based on a number of assumptions about future events, such as interest rates, wage and salary increases, inflation rates and rates of employee turnover, disability and mortality. The assumptions used reflect the Province's best estimates of expected long-term rates and short-term forecasts. The expected interest and inflation rates follow:

Expected Interest Rates

The expected average interest rate for the Public Service Pension Plan is 7.25%. The expected rate for the Teachers' Pension Plan is 7.25% projected on a long-term basis. The expected rate for the Uniformed Services Pension Plan is 7.25% projected on a long-term basis. The expected rate for the Members of the House of Assembly Pension Plan is 7.25% for the Registered component and 4.25% for the Supplementary Employee Retirement component, projected on a long-term basis. The expected rate for the Provincial Court Judges' Pension Plan is 6.75% for the Registered component and 4.25% for the Supplementary Employee Retirement component, projected on a long-term basis.

Expected Inflation Rates

The expected inflation rate for all pension plans is 2.50%.

The latest actuarial valuations for the Province's pension plans, according to the administrators of those plans, are dated as listed in the following table:

Pension Plan	Valuation Date
Public Service	31 December 2009
Teachers'	31 August 2009
Uniformed Services	31 December 2008
Members of the House of Assembly	31 December 2006
Provincial Court Judges'	31 December 2007

Actuarial extrapolations are provided for accounting purposes by the Province's actuaries based on the above dates, unless otherwise noted.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Pension Liability

Details of the pension liability are outlined in the table below. The estimated accrued benefit obligation and the value of the plan assets reported below have been extrapolated by the Province's actuaries to 31 March 2011. The actual results of future valuations may result in variances from these extrapolations.

Pension Plan	Estimated Accrued Benefit Obligation	Fund Assets	Unamortized Experience Gains (Losses)	Net Unfunded Liability 2011	Net Unfunded Liability 2010	Change
	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)
Public Service	6,005.5	3,814.4	(591.4)	1,599.7	1,330.3	269.4
Teachers'	3,851.1	2,586.6	(516.0)	748.5	567.6	180.9
Uniformed Services	346.8	165.8	(19.4)	161.6	143.8	17.8
Members of the House of Assembly	90.4	13.3	(8.8)	68.3	65.7	2.6
Provincial Court Judges'	13.2	3.9	(0.5)	8.8	7.3	1.5
Total	10,307.0	6,584.0	(1,136.1)	2,586.9	2,114.7	472.2

Pension Fund Assets are valued at the market value at 31 December 2010 and projected to year end.

Special Payments

Commencing in 2001-02, the Province began making annual payments of $7.5 million to the Members of the House of Assembly Pension Plan, however, these payments will only be allowable under the federal *Income Tax Act* to the extent that they fully fund the Registered component of the Plan. There were no special payments made to the Members of the House of Assembly Pension Plan in 2010-11.

Pension Expense

In these statements, pension costs have been determined as the cost of benefits accrued during the period. Interest on the unfunded liability has been accrued for the same period.

The change in the unfunded liability for the current period for each plan is comprised of the following amounts:

Pension Plan	Province's Share of Pension Benefits Earned for the Period	Pension Interest Expense on the Unfunded Liability	Province's Current Period Pension Contributions	Current Period Amortization of Experience Changes	Other Adjustments	Unfunded Portion of Current Period Pension Change
	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)
Public Service	24.8	168.1	(31.6)	108.1	-	269.4
Teachers'	29.2	97.0	(41.3)	96.0	-	180.9
Uniformed Services	3.4	12.7	(3.9)	5.6	-	17.8
Members of the House of Assembly	2.0	3.2	(6.4)	3.8	-	2.6
Provincial Court Judges'	1.2	0.4	(0.2)	0.1	-	1.5
Total	60.6	281.4	(83.4)	213.6	-	472.2

Pension interest expense is included with interest as debt expenses in the financial statements. Pension interest expense for 31 March 2010 amounted to $317.0 million.

Experience Gains or Losses

Experience gains or losses are amortized over the estimated average remaining service life of active contributors. The amortization amount is included with retirement costs in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

Other Pension Plans

The Government Money Purchase Pension Plan was established for employees whose employment status does not qualify them for participation in another of their employer's pension plans. This plan has approximately 30,772 participants. Employees contribute 5% of their salary to the Plan and the Province generally matches this contribution. Each employee will receive an annuity at retirement, the value of which is determined by their accumulated contributions plus investment earnings. This Plan is administered by the London Life Insurance Company and at 31 March 2011 assets had a market value of $258.8 million (31 March 2010 - $237.0 million).

10. Current and Capital Account

The annual surplus of $416.2 million (31 March 2010 - deficit of $80.3 million) is comprised of a surplus on the current account of $804.5 million (31 March 2010 - surplus of $224.3 million) and a deficit on the capital account of $388.3 million (31 March 2010 - deficit of $304.6 million). The classification of revenue and expenses between current account items and capital account items follow the classifications as per the Estimates for the purposes of categorizing the annual deficit.

11. Amounts Capitalized

Funds advanced to Crown agencies may be in the form of investments in such agencies or as loans or advances. Payments and receipts related to principal portions of these loans, advances and investments are capitalized on the Statement of Financial Position. Depending upon the relevant legislation and/or particular circumstances under which a Crown agency is established, the profits generated by their operations may be: (a) turned over to the Province and recorded as revenue; (b) used to repay loans and advances made to the agency by the Province; or (c) retained by the agency.

Amounts capitalized for 31 March 2011 amounted to $28.0 million (31 March 2010 - $53.9 million). See Schedule K - Reconciliation of Budgetary Contribution (Requirement) to Accrual.

12. Contingent Liabilities

(a) Guaranteed Debt

Guarantees made by the Province as at 31 March 2011 amounted to $1,596.4 million (31 March 2010 - $1,619.9 million). In addition, the Province guaranteed the interest thereon. See Schedule G - Guaranteed Debt.

(b) Legal Actions

(i) There have been a number of statements of claim alleging negligence on the part of Government employees and agencies in not preventing abuse while these claimants were under Government care.

(ii) A number of claims have been filed against the Province for alleged breaches of contracts and/or tenders as well as for general damages and personal claims pursuant to action initiated by the Province.

(c) Other

(i) *Registrar of the Supreme Court*

The Province of Newfoundland and Labrador guarantees all sums required to discharge the balances of the Registrar of the Supreme Court as administrator, guardian, trustee, etc. (*Judicature Act*). See Schedule I - Trust Accounts.

(ii) *Pensions*

a) Province of Newfoundland and Labrador Pooled Pension Fund

Pursuant to Section 9 of the *Pensions Funding Act*, the Consolidated Revenue Fund is liable for any deficiency in the Province of Newfoundland and Labrador Pooled Pension Fund covered by that Act. See note 9.

b) Memorial University of Newfoundland Pension Fund

Pursuant to Section 6 of the *Memorial University Pensions Act,* if there is insufficient money in the Memorial University of Newfoundland Pension Fund to provide for the payment of applicable expenditures as they fall due, the Consolidated Revenue Fund is liable for payment of an amount to cover the deficiency. As at 31 March 2011, the Memorial University of Newfoundland Pension Plan had an unfunded pension liability for funding purposes of $317.5 million (31 March 2010 - $292.5 million). However, there currently exists sufficient money in the Fund for the payment of expenditures as they fall due.

(iii) *Trust Accounts*

Generally, the Province is contingently liable for any shortage that may occur for certain funds held in trust by the Province. Currently, all obligations held have an offsetting asset. See Schedule I - Trust Accounts.

(iv) *Canadian Saltfish Corporation*

On 17 July 1970, the Province entered into an agreement with the Government of Canada for the marketing of saltfish products by the Canadian Saltfish Corporation (the Corporation), pursuant to the *Saltfish Act*. The Agreement provided that the Province is required to pay to the Government of Canada a proportional share of 50 per cent of the losses of the Corporation. This share is based on the total value of annual sales of cured fish products applicable to each participating province.

On 19 February 1993, the Government of Canada requested that the Province compensate it for losses incurred to 31 March 1992. The amount which the Government of Canada calculated as the Province's share of the losses was $21.6 million.

The Corporation was dissolved with effect from 1 April 1995, so that resolution of the matter will be between the Government of Canada and the Province. However, the Province takes the position that for a number of reasons, including the fact that the Corporation engaged in activities beyond its mandate as determined by the Auditor General of Canada and confirmed by the Department of Justice of Canada, it is not liable for the amount claimed.

(v) *Newfoundland and Labrador Student Loans Program*

Under the loan guarantee component of this Program, the Province has issued guarantees totalling $0.1 million. Under the debt reduction component of the Program, the Province is contingently liable for possible grants totalling $10.9 million, of which $8.8 million has been recorded as a provision for likely amounts payable related to student loans due to the debt reduction component. See Schedule E - Other Liabilities.

(vi) *Environmental Responsibility*

As a result of delivering its stated programs and initiatives, there are a number of sites throughout the Province which are considered potentially contaminated sites. A liability will be accrued in the financial statements when it has been determined that the Province is liable for a site which has become contaminated and where a reasonable estimate of the remediation costs can be made. To date, $21.6 million has been recorded (see Schedule E - Other Liabilities).

Where it is uncertain as to whether an obligation exists for the Province to remediate a contaminated site, then information on any such sites will be disclosed as contingent liabilities.

As at 31 March 2011, while the Province is aware of a number of contaminated sites, the full extent of the remediation costs for these known sites is not readily determinable other than those indicated below. It is the responsibility of the departments to identify any other potentially contaminated sites which are owned by the Province and to collect the information necessary to assess the extent or likelihood of any environmental damage. As contaminated sites are identified, additional environmental liabilities may be recognized or contingent liabilities disclosed due to newly identified sites and/or changes in the assessments of currently known sites.

Former Abitibi-Consolidated Sites

In December 2008, the Province passed legislation entitled *Abitibi-Consolidated Rights and Assets Act* to expropriate certain rights and assets from Abitibi-Consolidated. Abitibi filed for creditor protection, and was granted a stay of creditor proceedings, under the *Companies' Creditor Arrangements Act* ("CCAA") in April 2009. The Province petitioned the CCAA court for a declaration that Abitibi is responsible for full compliance with the *Provincial Environmental Protection Act*, which included clean-up of its former sites. The CCAA court ruled that any claims the Province may have regarding clean-up of the former sites can be compromised and extinguished by the CCAA process, the practical effect of which is that the Province could bear the burden of clean-up of these sites.

In November 2010, the Province was granted leave to appeal this issue to the Supreme Court of Canada. Until the appeal is heard, the Province cannot determine the likelihood of whether it will be ultimately responsible for environmental remediation. While it has been determined that these sites do contain contamination, the exact cost will not be known until Abitibi-Consolidated submits remediation plans, and until the Province completes further environmental assessments, human health risk assessments and risk analysis. A liability for $5.0 million has been recorded for work completed subsequent to year-end to address an immediate health risk at one of the sites.

Former Mining Sites

The Province owns two former mining sites which have estimated costs for remediation that are potentially significant: the former Baie Verte Asbestos Mine (order of magnitude costs of $40.0 million) and the former Consolidated Rambler Mines Copper Mine (order of magnitude costs of $95.0 million). The Province has completed rehabilitation at these sites designed to address human health and safety issues. No remediation expenditures are planned for the next five years. In addition to these two sites, the Province, by way of the Mineral Strategy, is seeking to complete an inventory and risk based priority list of orphaned and abandoned mines.

13. Contractual Obligations

Contractual obligations to outside organizations in respect of contracts entered into before 31 March 2011 consists of:

	31 March 2011	31 March 2010
	($mil)	($mil)
Capital projects	582.3	468.5
Economic development	73.6	12.7
Provincial policing agreement	58.5	116.5
Information technology services	48.2	24.9
Lease payments	28.2	32.7
Ferry services	23.5	51.2
Telephone services	12.4	16.6
Forestry management	10.9	13.7
Food Services	1.3	5.9
Other projects	30.4	17.6
Total: Contractual Obligations	869.3	760.3

These contractual obligations will become liabilities and expenses of the Consolidated Revenue Fund when the terms of the contracts are met. Payments in respect of these contracts and agreements are subject to the voting of supply by the Legislature.

14. Measurement Uncertainty

Measurement uncertainty exists when it is reasonably possible that there could be a material variance between the recognized amount and another reasonably possible amount, as there is whenever estimates are used. Estimates are based on the best information available at the time of preparation of the financial statements and are adjusted annually to reflect new information as it becomes available. Some examples of where measurement uncertainty exists are the accrual of retirement benefits, the allowance for guaranteed debt and the accrual of self-insured workers' compensation benefits.

15. Comparatives

Certain of the 31 March 2010 financial statement figures and related schedules have been restated to be consistent with the 31 March 2011 statement presentation.

16. Cash Requirements

The following summarizes the actual cash requirements, borrowings and utilization of the borrowings in excess of cash requirements for the year ended 31 March 2011. The total borrowing contribution has been adjusted for the modifications to the cash basis of accounting to arrive at the cash requirement. Please refer to the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the year ended 31 March 2011 for further information on the calculation of the Total Borrowing Contribution of $163.6 million noted below.

	31 March 2011
	($mil)
Total Borrowing Contribution (Requirement)	163.6
Add (Deduct):	
Treasury bill borrowing repayments	(2,011.0)
Temporary investments 1 April 2010	19.0
Writeback expenditure - 2011	536.6
Writeback expenditure - 2010	(322.7)
Federal trust funds	(16.7)
Writeback revenue - 2011	(47.7)
Writeback revenue - 2010	27.0
Special purpose funds	1.7
Contractors holdback funds	(9.1)
Prior year's expenditure cheques recovered	(7.0)
Other Adjustments	4.2
Total: Cash Requirements	(1,662.1)
Borrowings:	
Treasury bill borrowings	2,010.0
Increase (Decrease) in cash balance (overdraft)	(202.7)
Total: Borrowings	2,212.7
Temporary Investments 31 March 2011	550.6

17. Original Estimates

Certain amounts in the 2010-11 Estimates shown for comparative purposes were prepared on the accrual basis.

The primary focus of the accrual budget information presented in the 2010-11 Budget Speech was to adhere to the more general format of the Consolidated Statement of Operations in Volume I. The details of the budgeted revenue and expense items that comprised the annual deficit amount of $289.2 million (consistent with the more detailed format of the non-consolidated Statement of Operations in Volume II) were not disclosed in the 2010-11 Budget Speech but rather were obtained from internal documentation used to calculate the budgeted surplus disclosed in the 2010-11 Budget Speech. In addition, an amount for Net Debt was also obtained from internal documentation.

In arriving at the original estimate figures on the Statement of Operations, implicit costs associated with the acquisition of tangible capital assets, which were eliminated from these items, were estimated based on a reasonable allocation methodology.

18. Additional Notes

In addition to the aforementioned, there are various other notes disclosed in the schedules which follow.

Schedule A

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Accounts and Taxes Receivable
As at 31 March 2011
with comparative figures for 2010

	2011 ($000)	2010 ($000)
Accounts Receivable:		
Offshore royalties	437,674	431,520
Crown agencies working capital and unremitted profits	62,328	62,315
Court fines	40,286	35,976
Social assistance overpayments	31,025	28,902
Miscellaneous/other receivables	29,448	32,430
Student loans	27,105	31,043
Reciprocal billings - medical services	5,562	5,956
Nalcor Energy	3,225	-
Amounts due as a result of Constituency Allowance review	2,708	826
Rent and other royalties/permits to occupy	2,158	2,204
Workplace, Health, Safety and Compensation Commission	2,005	1,679
Due from municipalities	1,398	1,077
Accident recovery claims	1,233	488
Accrued interest on temporary investments	787	24
Province of Newfoundland and Labrador Pooled Pension Fund	760	769
Fees and licences	624	653
Medical care plan audit recoveries	414	407
Travel advances	127	157
Atlantic Lottery Corporation Incorporated	-	2,782
Total: Accounts Receivable	648,867	639,208
Taxes Receivable:		
Sales tax	92,658	72,103
Mining and mineral rights tax	78,278	21,087
Gasoline tax	14,039	13,849
Tobacco tax	11,150	11,630
Health and post secondary education tax	9,664	9,813
School tax	9,465	9,670
Insurance companies tax	4,106	4,061
Miscellaneous/other taxes	248	459
Forest management tax	1	-
Total: Taxes Receivable	219,609	142,672
Total: Accounts and Taxes Receivable	868,476	781,880

NOTE

The allowance for doubtful accounts for 31 March 2011 is $77.7 million (31 March 2010 - $76.9 million).

Schedule B

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Loans, Advances and Mortgages Receivable
As at 31 March 2011
with comparative figures for 2010

	2011 ($000)	2010 ($000)
Crown Agencies:		
Business Investment Corporation - note 1	54,357	54,357
C.A. Pippy Park Commission	250	250
Newfoundland and Labrador Film Development Corporation	6,819	6,819
Total: Crown Agencies	61,426	61,426
Commercial Loans:		
6574262 Canada Inc.	500	-
A. L. Stuckless & Sons Limited	1,217	1,217
Atlantic Fisheries Limited	980	980
Bit Trap Studios Canada Inc	126	-
Clear Risk Inc	420	420
Cote's Mechanical Limited	200	200
Doyle, James & Sons Ltd.	771	771
Easteel Industries Limited	3,658	3,658
Eastern Ocean Products Limited	163	163
Eastern Star Group Canada Inc	450	-
Gavijo Innovations	15	15
George Sexton Limited	50	50
Grandy, Gordon	90	90
Griffiths Guitars International Inc.	171	171
Holson Forest Products Ltd.	7,000	5,000
Hughes, Vincent	50	50
IC Spa Products Inc.	185	185
Island Seafoods Products Limited	146	167
Keats, Eric	102	102
Koby Seat Inc.	9	9
Mediclink Systems Limited	-	58
Melindy, John	191	191
MyTelescope.com Inc.	315	315
Newfoundland Harvesting Limited	2,727	2,727
Newman, Raymond	162	162
Northeast Coast Sealers Co-op Society Limited	367	378
Object Oriented Concepts Inc.	97	325
O'Rourke, Rupert	337	337
Other Ocean Group Inc.	948	948
Pittman, Thomas	93	93
Pumphrey, Gerry	537	537
Rolls-Royce Canada Limited	500	500
Saunders, Ralph	61	61
Seacraft Limited	68	68
Seaward, Alphonsus	99	99
Sexton Lumber Ltd.	2,250	2,250

LOANS, ADVANCES AND MORTGAGES RECEIVABLE (continued)

	2011 ($000)	2010 ($000)
Commercial Loans:		
Short, William	262	262
Superior Waterproof Coatings NF & LB Inc.	154	154
Sweet, Roy	49	49
Terra Nova Marine Co. Ltd	400	400
Terra Nova Shoes ULC	7,000	8,000
Virtual Marine Technology	991	500
Vokey's Shipyard Limited	100	100
Whelan, Ormond	853	853
White's Fisheries Limited	50	50
Wilson, Ronald & Curtis, Kevin	298	298
Total: Commercial Loans	35,212	32,963
Other Organizations:		
Gros Morne Mortgages	68	66
Municipalities	197	197
Total: Other Organizations	265	263
Total: Loans, Advances and Mortgages Receivable	96,903	94,652

NOTES

1. Business Investment Corporation

The Province advanced funds to Business Investment Corporation for the purpose of making loans and equity investments to enable it to carry out its mandate. The advances were non-interest bearing and had no fixed terms of repayment or maturity date.

2. Interest Rates and Loan Terms

Interest rates on loans range from non-interest bearing to 14% and are repayable over terms not exceeding twenty-five years.

3. Allowance for Doubtful Accounts

The allowance for doubtful accounts for 31 March 2011 is $82.9 million (31 March 2010 - $82.8 million).

Schedule C

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Investments
As at 31 March 2011
with comparative figures for 2010

Description of Investment	Net Additions	Balance 31 March 2011 No. of Shares	Balance 31 March 2011 Cost	2010 Cost
	($000)		($000)	($000)
Preferred Shares:				
Atlantic Ocean Farms Limited - Class "A", redeemable	-	289,655	290	290
Blue Line Innovations Inc. - Class "B"	-	5,000	500	500
Burton's Cove Logging and Lumber	1,800	36	1,800	-
Cold Ocean Salmon Inc. - Class "A"	1,750	10,000	10,000	8,250
Country Ribbon Inc.	-	4,500	4,500	4,500
Gray Aqua Group Ltd. - Class "A"	-	1,000,000	1,000	1,000
Northern Harvest Sea Farms Newfoundland Ltd	2,000	2,000,000	2,000	-
Orphan Industries Limited - Class "B"	-	97,000	970	970
Pixecur Technologies Inc. - redeemable	-	4,000	400	400
Total: Preferred Shares Investments	5,550		21,460	15,910
Common Shares:				
ACF Equity Atlantic Inc.	-	2,390,000	2,231	2,231
ACZEN Innovations Inc. - Class "A".	15	1,763	176	161
Adfinitum Networks Inc.	145	3,300	330	185
Atlantic Lottery Corporation Inc.	-	1	-	-
Blue Drop Inc. - Class "D"	-	5,000	500	500
Consilient Technologies Corporation - Class "B"	-	568,182	500	500
Dockside Appetizers Ltd.. - Class "B"	-	310	31	31
Dynamic Air Shelters Ltd. - Class "B"	-	500,000	500	500
First Choice Vision Centre Limited - Class "B"	-	4,537	454	454
Hurley Slate Works Company Inc. - Class "B"	-	400	400	400
Inter-Provincial Lottery Corporation - common	-	1	-	-
iSYS Intelligent Systems Solutions - Class "F"	-	986	98	98
Jackman BrandMarketing Inc. - Class "B"	-	1,250	125	125
Manitoba Telecom Services Inc.	-	126	-	-
Marble Mountain Development Corporation.	-	500	-	-
MedicLink Systems Ltd - Class "A"	-	3,517	352	352
Municipal Assessment Agency	-	1	-	-
Nalcor Energy Corporation	-	122,500,018	110,187	110,187
NavSim Technologies.	250	2,500	250	-
Newfound Genomics Inc.	-	5,000	500	500
Newfoundland and Labrador Film Development Corporation	-	600	-	-
Newfoundland and Labrador Immigrant Investor Fund Ltd	-	3	-	-
Newfoundland Government Fund Limited - Common	-	2	-	-

INVESTMENTS (continued)

Description of Investment	Net Additions	Balance 31 March 2011 No. of Shares	Balance 31 March 2011 Cost	2010 Cost
	($000)		($000)	($000)
Common Shares:				
Newfoundland Hardwoods Limited	-	253	26	26
Newfoundland Ocean Enterprises Limited	-	3	3	3
Newlab Clinical Research Inc. - Class "A"	-	5,000	500	500
Northern Radar Inc. - Class "C"	-	3,749	375	375
Rooms Corporation of Newfoundland and Labrador Inc.	-	500	-	-
SAC Mfg. Inc. - Class "B"	-	500	500	500
Sexton Lumber Co. Ltd.	-	5,000	500	500
Solace Power Inc. - Class "D"	-	1,401	140	140
Trans Ocean Gas Inc	-	18,000	90	90
Total: Common Shares Investments	410		118,768	118,358
Non-Share Equity:				
Nalcor Energy Corporation	16,000	-	275,500	259,500
Newfoundland and Labrador Housing Corporation	-	-	62,852	62,852
Total: Non-Share Equity Investments	16,000	-	338,352	322,352
Total: Investments	21,960		478,580	456,620

NOTE

Allowance for Investment Write-downs

The allowance for investment write-downs for 31 March 2011 is $5.8 million (31 March 2010 - $3.3 million).

Schedule D

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Tangible Capital Assets
As at 31 March 2011
with comparative figures for 2010

Category	Original Cost				Accumulated Amortization			Net Book Value 31 March 2011	Net Book Value 31 March 2010
	Balance 31 March 2010	Additions 2011	Disposals 2011	Balance 31 March 2011	Balance 31 March 2010	Amort. Net of Disposals 2011	Balance 31 March 2011		
	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)
Buildings	959.4	116.7	3.3	1,072.8	528.8	33.5	562.3	510.5	430.6
Marine vessels & aircraft	98.8	61.3	14.6	145.5	78.4	(10.5)	67.9	77.6	20.4
Equipment & machinery	148.0	15.8	7.2	156.6	85.9	4.1	90.0	66.6	62.1
Infrastructure	3,922.6	251.5	0.4	4,173.7	3,427.2	70.8	3,498.0	675.7	495.4
Computer software	53.9	4.3	-	58.2	44.8	5.3	50.1	8.1	9.1
Sub-total	5,182.7	449.6	25.5	5,606.8	4,165.1	103.2	4,268.3	1,338.5	1,017.6
Work in progress				432.6				432.6	393.7
Total				6,039.4				1,771.1	1,411.3

NOTES

1. Tangible Capital Assets

Tangible capital assets are capitalized on the Statement of Financial Position with the cost of the assets amortized over the estimated useful life of the assets. Fully amortized tangible capital assets are recorded at gross cost and accumulated amortization.

2. Work In Progress

Work in progress is considered to be a tangible capital asset, however it is not amortized as it is not yet available for use. Government currently has a number of projects under construction or development with a total for 31 March 2011 of $432.6 million (31 March 2010 - $393.7 million) having been spent on these projects to date. Upon completion, these assets are recorded in the appropriate category in the schedule. The additions of $449.6 million include $195.9 million of work in progress assets that have been capitalized in the year. Net additions to work in progress assets include additions of $236.4 million less disposals of $1.6 million for 2010-11.

3. Amortization Expense

Amortization net of disposals in the amount of $103.2 million as reported in the schedule consists of amortization expense of $125.4 million less accumulated amortization on assets disposed of in the year in the amount of $22.2 million.

Amortization net of disposals as at 31 March 2010 was $77.3 million which consisted of amortization expense of $94.2 million less accumulated amortization on assets disposed of in the year in the amount of $16.9 million.

TANGIBLE CAPITAL ASSETS (continued)

4. Estimated Useful Life

The historic cost of the assets is estimated in many cases, and amortization is calculated on a straight line basis over the following useful lives:

Asset	Estimated Useful Life
Buildings	40 years
Marine vessels & aircraft	
Marine vessels	20 years
Aircrafts	20 years
Equipment & machinery	
Heavy machinery and equipment	20 years
Snow removal machinery and equipment	10 years
Office/other machinery and equipment	10 years
Vehicles	5 years
Computer hardware	4 years
Infrastructure	
Roads	20 years
Airstrips	20 years
Marine facility infrastructure	20 years
Other infrastructure assets	20 years
Land	indefinite
Bridges	40 years
Computer software	7 years

5. Historical or Cultural Assets

In accordance with current accounting standards, certain assets which have historical or cultural value belonging to the Province are not included in this schedule. Such assets consist of paintings, sculptures, historical documents, and historical and cultural artifacts.

6. Intangible and Inherited Assets

Intangible assets and items inherited by right of the Crown, such as Crown lands, forest, and mineral resources, are not recognized as tangible capital assets in accordance with current accounting standards.

7. Leased Assets

The gross amount of leased tangible capital assets is $27.4 million (31 March 2010 - $36.3 million), amortization expense is $0.7 million (31 March 2010 - $1.0 million) and accumulated amortization is $12.7 million (31 March 2010 - $19.4 million). These are included in the appropriate category in the schedule.

8. Expropriated Assets

In December 2008, the Province passed legislation entitled *Abitibi-Consolidated Rights and Assets Act* to expropriate certain rights and assets from Abitibi-Consolidated. The intent of this Act was to return to the Province rights relating to timber and water use, as well as assets and land associated with the generation of electricity enabled by the water use rights. As a result of the expropriation, the Province also assumed responsibility of other assets associated with the pulp and paper mill. While the Province has licensed Nalcor Energy to manage and operate the hydro electricity generating assets on behalf of the Province, no decision has been made on whether the assets will continue to be held by the Province, or transferred to Nalcor Energy or other parties. Nalcor Energy is operating these electricity generating assets on a cost recovery basis and with revised power purchase rates now applying to these facilities. As the value of the electricity generating assets expropriated, and their ultimate use, have not been determined, any payments related to subsection 10.(2) of the Act have been recorded as tangible capital assets. $138.3 million ($126.5 million, net) has been recorded as the cost of the electricity generating assets for the fiscal year ended 31 March 2011 and are included in the infrastructure category as an addition. As the value of the non-electricity generating assets expropriated, and their ultimate future use have not been determined, they have been recorded as tangible capital assets at a nominal amount.

Schedule E

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Other Liabilities
As at 31 March 2011
with comparative figures for 2010

	2011	2010
	($000)	($000)
Accounts payable write-backs	536,636	322,730
Due to Government of Canada - note 1	365,870	384,806
Due to municipalities	167,460	204,494
Salaries and benefits	164,814	155,255
Accrued interest	151,288	157,084
Offshore royalties	38,089	46,606
Self-insured workers' compensation benefits - note 2	31,809	31,841
Taxes payable	28,986	27,694
Capital leases - note 3	28,541	29,346
Accounts payable - other	24,033	24,129
Environmental liabilities	21,615	21,101
Contractors' holdbacks	16,149	25,296
Physician services	15,326	47,395
Special purpose funds - note 4	10,672	8,925
Provision for student loan debt reduction	8,844	9,833
Reciprocal billing - hospital services payable	8,467	5,765
St. Clare's Hospital - purchase	3,000	3,750
Due to Crown Agencies	1,241	2,291
Lottery Revenues	1,108	-
Total: Other Liabilities	1,623,948	1,508,341

NOTES

1. Due to Government of Canada

The total due to the Government of Canada is $365.9 million. This amount is comprised of $271.2 million for an Equalization loan, $75.5 million for Equalization overpayments and $19.2 million for Health and Social transfer overpayments.

2. Self-Insured Workers' Compensation Benefits

The amount of $31.8 million relates to the self-insured workers' compensation benefits liability as at 31 March 2011 (31 March 2010 - $31.8 million). During the 2010-11 fiscal year, an actuarial valuation as of 31 December 2010, with disclosures as at 31 March 2011, was obtained for the Province's self-insured workers' compensation benefits.

3. Capital Leases

Interest rates for all capital leases range from 7.00% to 11.50% and have repayment schedules ranging in duration from less than a year to 13 years.

4. Special Purpose Funds

Included in this schedule are funds totalling $10.7 million (31 March 2010 - $8.9 million) considered to be special purpose funds whereby payments are made specifically for these purposes. Pursuant to Section 22(a) of the *Financial Administration Act*, appropriations are not required for these payments.

Schedule F

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Debenture and Other Debt
As at 31 March 2011
with comparative figures for 2010

Series	Date of Issue	Date of Maturity	Interest Rate %	Amount in Foreign Currency	Sinking Fund Balance	Amount Issued or Outstanding 2011	Amount Issued or Outstanding 2010	Notes
				($000)	($000)	($000)	($000)	
General Debentures:								
EC7	19 Feb. 2003	29 Dec. 2010	5.13		-	-	200,000	1(a)
6L	25 Jul. 2001	25 Jul. 2011	6.40		-	200,000	200,000	1(b)
5U	15 Feb. 1989	15 Feb. 2012	11.00		114,738	114,738	125,000	1(b)
EC6	12 May 1993	12 May 2013	5.65		54,134	81,734	81,734	1(a)
6S	04 Jun. 2004	04 Jun. 2014	5.25		-	300,000	300,000	1(b)
5V	22 Nov. 1989	22 Nov. 2014	10.13		110,543	150,000	150,000	1(b)
AG	01 Jun. 1989	01 Jun. 2019	9.00	(150,000 U.S.)	106,222	145,440	152,370	1(b)
AH	01 Jun. 1990	01 Jun. 2020	9.88	(150,000 U.S.)	31,608	145,440	152,370	1(b)
AJ	29 Nov. 1990	01 Dec. 2020	10.00	(150,000 U.S.)	30,263	145,440	152,370	1(b)
5X	15 Apr. 1991	15 Apr. 2021	10.95		-	147,892	147,892	1(b)
AK	17 Oct. 1991	15 Oct. 2021	9.00	(200,000 U.S.)	36,397	193,920	203,160	1(b)
AM	22 Oct. 1992	22 Oct. 2022	8.65	(200,000 U.S.)	32,688	193,920	203,160	1(b)
AN	13 Oct. 1993	13 Oct. 2023	7.32	(200,000 U.S.)	44,418	193,920	203,160	1(b)
6B	07 Jul. 1995	07 Jul. 2025	9.15		19,585	100,000	100,000	1(b)
6C	05 Feb. 1996	05 Feb. 2026	8.45		28,110	150,000	150,000	1(b)
6F	17 Apr. 1998	17 Apr. 2028	6.15		83,364	450,000	450,000	1(b)
6H	27 Jul. 1999	17 Oct. 2029	6.50		35,415	200,000	200,000	1(b)
6K	30 Jun. 2000	17 Oct. 2030	6.55		69,576	450,000	450,000	1(b)
6R	12 Jun. 2003	17 Oct. 2033	5.60		32,157	300,000	300,000	1(b)
6T	21 Sep. 2004	17 Oct. 2035	5.70		26,666	300,000	300,000	1(b)
6U	28 Nov. 2006	17 Apr. 2037	4.50		24,054	350,000	350,000	1(b)
6V	15 May 2007	17 Oct. 2040	4.65		31,683	650,000	650,000	1(b)
6Q	16 Aug. 2002	17 Oct. 2042	6.24		12,701	250,000	250,000	1(b)
	Total: General Debentures				924,322	5,212,444	5,471,216	
Other:								
Treasury bill borrowings					-	492,721	493,744	1(c)
	Total: Other				-	492,721	493,744	

DEBENTURE AND OTHER DEBT (continued)

Series	Date of Issue	Date of Maturity	Interest Rate %	Sinking Fund Balance	Amount Issued or Outstanding 2011	Amount Issued or Outstanding 2010
				($000)	($000)	($000)
Government of Canada and Agencies:						
Canada Pension Plan Investment Fund						
Debentures - note 1(d)						
3A-278 to 3A-284	02 Apr. 1990 to 03 Dec. 1990	02 Apr. 2010 to 03 Dec. 2010	10.36 to 11.33	-	-	40,432
3A-285 to 3A-288	02 Apr. 1991 to 02 Jul. 1991	02 Apr. 2011 to 02 Jul. 2011	9.81 to 10.04	-	40,858	40,858
3A-289 to 3A-291	01 May 1992 to 02 Jul. 1992	01 May 2012 to 02 Jul. 2012	9.17 to 9.45	-	28,770	28,770
3A-292	01 Mar. 1999	01 Mar. 2019	5.97	-	1,827	1,827
3A-293 to 3A-303	02 Apr. 1999 to 03 Mar. 2000	02 Apr. 2019 to 03 Mar. 2020	5.89 to 7.02	-	35,282	35,282
3A-304 to 3A-314	01 Apr. 2000 to 02 Mar. 2001	01 Apr. 2020 to 02 Mar. 2021	6.41 to 6.90	-	42,645	42,645
3A-315 to 3A-326	01 Apr. 2001 to 01 Mar. 2002	01 Apr. 2021 to 01 Mar. 2022	6.38 to 6.85	-	52,376	52,376
3A-327 to 3A-337	01 Apr. 2002 to 01 Mar. 2003	01 Apr. 2022 to 01 Mar. 2023	5.88 to 6.61	-	52,104	52,104
3A-338 to 3A-347	05 Apr. 2003 to 01 Mar. 2004	05 Apr. 2023 to 01 Mar. 2024	5.41 to 6.15	-	50,738	50,738
3A-348 to 3A-356	02 Apr. 2004 to 02 Jan. 2005	02 Apr. 2024 to 02 Jan. 2025	5.36 to 5.92	-	47,146	47,146
3A-357 to 3A-359	01 Apr. 2005 to 03 Jun. 2005	01 Apr. 2025 to 03 Jun. 2025	4.91 to 5.34	-	23,987	23,987
Total: Canada Pension Plan Investment Fund Debentures				-	375,733	416,165

DEBENTURE AND OTHER DEBT (continued)

Series	Date of Issue	Date of Maturity	Interest Rate %	Sinking Fund Balance	Amount Issued or Outstanding 2011	2010
				($000)	($000)	($000)
Harbour Lodge - see note 1(e)				-	447	471
Sun Life Assurance Company of Canada - see note 1(f)				-	97,051	-
Total: Agencies				-	97,498	471
Total: Government of Canada and Agencies				-	473,231	416,636
Total: Debenture and Other Debt				924,322	6,178,396	6,381,596
Current portion of Debenture and Other Debt					736,947	734,198
Long-term portion of Debenture and Other Debt					5,441,449	5,647,398
					6,178,396	6,381,596

NOTES

1. Details of Debt Issues

a) Non-callable by the Province, except upon changes in tax status and/or law, then as a whole at par.

b) Non-callable.

c) This amount represents the net proceeds from the sale of $494 million discounted treasury bills with maturity dates ranging from 7 April 2011 to 30 June 2011 and interest rates ranging from 1.00% to 1.08%.

d) Callable at par at the option of the Minister of Finance of Canada upon six months' prior written notice, subject to the requirements of the Canada Pension Plan. Commencing March 1999, the Province has an option, pursuant to amendments of the Canada Pension Plan enacted by the *Canada Pension Plan Investment Board Act*, to refinance for a final twenty year term maturing Canada Pension Plan borrowings, provided sufficient monies are available in the Canada Pension Plan Investment Fund. The Province has exercised an option to refinance its maturing Canada Pension Plan debt and to date has rolled over, for a further 20 year term, all funds made available by the Canada Pension Plan Investment Fund from March 1999 to June 2005. Commencing July 2005, Canada Pension Plan borrowings have not been rolled over and have been allowed to mature.

e) This is a loan from the Canada Mortgage and Housing Corporation for the acquisition and construction of the Harbour Lodge. This loan is repayable over a 50 year period in blended annual installments of principal and interest, at an interest rate of 7.875%, maturing 1 December 2021.

f) Sun Life Assurance Company of Canada represents the secured creditors of the Exploits River Hydro Partnership and the Star Lake Hydro Partnership per Section 10.(2) of the Abitibi Consolidated Rights and Assets Act. The secured creditors of the Exploits River Hydro Partnership include Industrial Alliance Life Insurance, Manufacturers Life Insurance Company of Canada and Sun Life Assurance Company of Canada. This loan is repayable in blended quarterly installments of principal and interest, at an interest rate of 7.552%, maturing 31 December 2028. The secured creditors of the Star Lake Hydro Partnership include Sun Life Assurance Company of Canada, Industrial Alliance Life Insurance, Canada Life Assurance Company, Standard Life Assurance Company of Canada and Manufacturers Life Insurance Company of Canada. This loan is repayable in blended monthly installments of principal and interest, at an interest rate of 9.20%, maturing 1 April 2023.

2. Sinking Fund Balance

See note 5 of the Notes to the Financial Statements.

DEBENTURE AND OTHER DEBT (continued)

3. Borrowings

Borrowings and unamortized foreign exchange losses, by major currency, and sinking funds as at 31 March 2011 are as follows:

Major Currencies	Foreign Borrowings	Exchange Rate	Canadian	Unamortized Foreign Exchange Gains/(Losses)	Net
	($000)		($000)	($000)	($000)
U.S.	1,050,000	0.9696	1,018,080	286,849	1,304,929
Canadian			5,160,316	-	5,160,316
		Sub-total	6,178,396	286,849	6,465,245
	Foreign sinking funds		(281,596)	(68,493)	(350,090)
	Canadian sinking funds		(642,726)	-	(642,726)
		Total	5,254,074	218,356	5,472,429

4. Contributions and Repayment Requirements

Sinking fund contributions and debt repayments which are not funded by a sinking fund, by major currency, in Canadian dollars are as follows:

	U.S.	Canadian	Total
	($000)	($000)	($000)
2011-2012	7,030	285,523	292,553
2012-2013	7,030	73,726	80,756
2013-2014	7,030	43,640	50,670
2014-2015	7,030	341,734	348,764
2015-2016	7,030	313,298	320,328
2016-2043	26,664	1,189,151	1,215,815
	61,814	2,247,072	2,308,886

The foreign exchange gain which has been realized on the Statement of Operations is $17.8 million.

5. Sensitivity Analysis

An increase/decrease of one cent in the foreign exchange rates at 31 March 2011 would result in an increase/decrease in foreign borrowings of $10.5 million (31 March 2010 - $10.5 million).

6. Related Sinking Fund Investments

At year end, the Province held $561.5 million worth of its own debentures (face value) in sinking funds as active investments (31 March 2010 - $573.0 million) which are reflected in the sinking fund balances disclosed in note 3 above. These were comprised of $441.0 million in Canadian investments and $120.5 million in US investments.

DEBENTURE AND OTHER DEBT (continued)

7. Debt-Related Risk

The practice of borrowing in both domestic and foreign currencies may potentially give rise to a number of risks including interest rate, credit, foreign exchange and liquidity risk. Interest rate risk is the risk that debt servicing costs will increase due to changes in interest rates while credit risk is the risk that a loss may occur from the failure of another party to meet its obligations under a derivative financial instrument contract. As well, foreign exchange risk is the risk that debt servicing costs will increase due to a decline in the value of the Canadian dollar relative to other currencies while liquidity risk is the risk that financial commitments will not be met over the short-term.

The Province attempts to manage its exposure to these risks and minimize volatility in its debt expenses by following a conservative debt and risk management strategy. The Province's debt portfolio is structured such that virtually all of its debt is long-term with fixed interest rates and fixed repayment terms. When appropriate and the option is available, debt with high interest rates has been called and refinanced with new lower interest rate debt. Otherwise, debt is generally held until maturity. Hence, the Province's exposure to interest rate and credit risk is minimal as a result of its conservative debt management strategy.

While the majority of the Province's debt is domestic in nature, there are a number of US dollar denominated debt issues. All of these are long-term issues and the Province has established sinking funds, also in US dollars, to provide repayment of the debt at maturity. For debt servicing purposes, short-term forward contracts are occasionally entered into when favorable exchange rates are available to minimize exposure to foreign exchange risk.

The Province's exposure to liquidity risk is managed by distributing debt maturities over several years, maintaining sinking funds for the repayment of certain long-term debt issues and holding adequate cash reserves or short-term borrowings as contingent sources of liquidity.

Schedule G

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Guaranteed Debt
As at 31 March 2011
with comparative figures for 2010

	Limit of Guarantee	Contingent Liability 2011	Contingent Liability 2010
	($000)	($000)	($000)
Guaranteed Debentures:			
Municipalities:			
(For debentures issued to The Municipal Development and Loan Board and The Canada Mortgage and Housing Corporation)			
Glenwood	72	72	72
Grand Falls - Windsor	10	10	12
Harbour Breton	171	171	171
Harbour Grace	127	127	128
La Scie	6	6	17
Placentia	70	70	70
Wabana	18	18	18
	474	474	488
Crown Corporations:			
Eastern Regional Health Authority - note 2	121,937	121,937	123,272
Newfoundland and Labrador Hydro Electric Corporation - note 2	976,612	976,612	1,000,275
Newfoundland and Labrador Municipal Financing Corporation - note 2	80,769	80,769	99,566
	1,179,318	1,179,318	1,223,113
Guaranteed Bank Loans:			
Crown Corporations:			
Labrador-Grenfell Regional Health Authority	5,000	-	-
Marble Mountain Development Corporation	2,100	1,977	1,614
	7,100	1,977	1,614
Fisheries: - note 3			
11072 Newfoundland Limited.	123	123	141
A & E Fisheries Limited	719	719	1,119
AAG Enterprises Inc.	122	122	143
Alcon Enterprises	133	133	200
Anchor Point Enterprises Limited	353	353	-
Andrew Daley Limited	270	270	200
Ashco Fishing Limited	406	406	487
Ashley's Pride Enterprises Limited	350	350	396
Atlantic Blue Fin Limited	670	670	750
B.A.D.S. Fisheries Limited	375	375	-
B & R Genge Company Limited	511	511	557
B D & T Enterprises & William F. Ralph	-	-	24
Barrett, Donald	-	-	22
BNB Morey Fisheries Limited	396	396	445
Butler, Harold	125	125	150
C & L Harvesting Limited	936	936	101

GUARANTEED DEBT (continued)

	Limit of Guarantee	Contingent Liability 2011	2010
	($000)	($000)	($000)
Guaranteed Bank Loans:			
Fisheries: - note 3			
Campbell Fisheries Limited	252	252	288
CJ Fisheries	396	396	445
Collins Fisheries Limited	114	114	170
Daley, Gary	320	320	360
DOBCO Enterprises Limited	-	-	180
Drover's Sea Harvesting Limited	934	934	1,012
Dwight Russell Enterprises Limited	840	840	900
E & E Fisheries Limited	930	930	430
Emberley, Randy	-	-	22
F & G Fisheries Limited	237	237	261
F.I.C. Enterprises Limited	297	297	316
Feltham, Alexander	87	87	87
Fennell, Thomas and Jeanette	83	83	111
G & D Fisheries Limited	552	552	621
G W R Fisheries Limited	430	430	486
Gallant, Guy	107	107	133
Genge, Emanuel Jr.	512	512	513
Genge, Jarvis.	593	593	652
Genge, Montrose	-	-	128
Genge, Theodore	925	925	845
Gould, Clifford - et al	-	-	19
Greenham, David J. and Billy F.	1,233	1,233	1,258
Greenspond Fisheries Limited	152	152	182
Hailey Bear Enterprises Limited	467	467	525
Hart, Lloyd	51	51	103
Harvester Enterprises Limited	188	188	215
Hickey, John P., John J., & Daniel J	195	195	260
Hicks Fisheries Limited	350	350	-
Hicks Fisheries Limited & Hicks, Randy and Ross	-	-	110
Hicks Fisheries Limited & Randy Hicks	-	-	229
High Tide Enterprises Limited	244	244	292
High Wave Fisheries Limited	207	207	276
Hyde, Gary and Karen	19	19	39
J.T. Fisheries Limited	172	172	189
JBCE Fisheries Limited	156	156	208
Jones, Richard	264	264	276
Kane, Charles M	49	49	55
Lavers, Boyd George	755	755	823
Lavers, Dion	35	35	42
Lewis, Patrick	68	68	100
Leyte, Melvin	473	473	552
LJC Fisheries Ltd.	-	-	426

GUARANTEED DEBT (continued)

	Limit of Guarantee	Contingent Liability 2011	2010
	($000)	($000)	($000)
Guaranteed Bank Loans:			
Fisheries: - note 3			
Lormar Enterprises Limited	112	112	131
Lower Coast Fisheries Inc.	86	86	95
Lynch, Levi	82	82	99
Martin, Harold	128	128	149
McCarthy, Dennis	924	924	621
Mike Butland Fisheries Ltd	450	450	450
Morningstar Enterprises Limited	550	550	605
Newfoundland Leader Limited	410	410	524
Newfoundland Mariner Fishing Enterprises Limited	844	844	938
Noel Fisheries Limited	91	91	103
Norman, Glenn	196	196	271
Ocean Surfer Limited	279	279	279
Pencol Enterprises Limited	534	534	601
Penney, Boyd - et al	-	-	28
Penney's Fisheries Limited	396	396	468
Petten, Neal	148	148	148
Petten, Raymond, Ivan & Sheldon	305	305	500
Piercey's Fishing Enterprises Limited	290	290	290
Porter, Robert E. and Robert W.	23	23	46
R & C Rose Enterprises Limited	123	123	206
Roberts, Charles and Winslow, Glen	-	-	60
Ryan, Randy and Lisa	73	73	109
Ryan, Randy and Lisa and Sea Surfer Enterprises Ltd.	71	71	86
S & D Fisheries Limited	-	-	17
S & I Fisheries Limited	63	63	94
S & J Fisheries Inc.	313	313	358
Salt Water Foam Company Limited	162	162	189
Shirley Ann D Enterprises Limited	354	354	416
Splendid Fishing Company Limited	-	-	98
Strabcol Enterprise Ltd.	431	431	518
Straits Venture Inc.	372	372	413
Symmonds, Michael - et al	62	62	83
T & C Fisheries Ltd.	330	330	360
The Roberts and Sisters Enterprises Limited	130	130	152
Timton Enterprises Ltd.	495	495	540
TJL Enterprises Limited	275	275	314
Toope's Enterprises Limited	177	177	251
Trina and Sons Ltd.	284	284	308
Vernon Petten Enterprises Limited	-	-	36
W&R Enterprises Limited	257	257	257
Walsh's Fisheries Limited	90	90	135
Ward, Cecil	235	235	268

GUARANTEED DEBT (continued)

	Limit of Guarantee	Contingent Liability 2011	2010
	($000)	($000)	($000)
Guaranteed Bank Loans:			
Fisheries: - note 3			
Waye's Enterprises Limited	-	-	198
What's Happening Fisheries Limited	468	468	526
Wrice, Wallace & Mary	-	-	133
	28,789	28,789	31,345
Aggregate Limit & Contingent Amount	34,276	34,276	34,940
Corporate:			
Fogo Island Co-operative Society Limited	1,500	-	-
Gray Aqua Group Ltd.	6,800	5,110	1,200
Smith Seafoods Limited	100	23	37
Stephenville Airport Corporation	600	204	325
Torngat Fish Producers Co-op Society Limited	2,100	904	1,502
	11,100	6,241	3,064
Other Bank Loans:			
Consumer Protection Fund for Prepaid Funeral Expenses	200	-	1
	200	-	1
Other Guarantees:			
Crown Corporations:			
Newfoundland and Labrador Immigrant Investor Fund Limited - note 4	237,567	237,567	204,230
Student Loan Corporation of Newfoundland and Labrador - note 5	142,000	142,000	156,000
	379,567	379,567	360,230
	1,606,548	1,596,366	1,619,855

GUARANTEED DEBT (continued)

NOTES

1. Definitions

The headings used in this Schedule are defined as follows:

Limit of Guarantee - This represents the maximum amount of loan advances available under the Province's guarantee plus capitalized interest thereon and past due interest, less down payment and less any receipted Provincial subsidy.

Contingent Liability - This represents the actual amount of loan advances (drawdowns) outstanding under the various guarantees plus capitalized interest thereon and past due interest. This represents the amount that the Province would be liable for if it had to honour these guarantees at year end.

The difference between these two amounts reflects the financing still available under the Province's guarantee.

2. Debenture Issues with Sinking Funds

Corporations for which guarantees are presented net of sinking fund values:

	Principal Amount of Debentures Outstanding	Accrued Interest	Value of Sinking Fund	Contingent Liability
	($000)	($000)	($000)	($000)
Eastern Regional Health Authority				
- Canadian Funds	130,000	2,605	10,668	121,937
Newfoundland and Labrador Hydro Electric Corporation				
- Canadian Funds	1,225,000	17,182	265,570	976,612
Newfoundland and Labrador Municipal Financing Corporation				
- Canadian Funds	80,378	391	-	80,769

3. Fisheries Loans

During a vessel's construction period, interim financing is provided through bank loans which are fully guaranteed by the Province. Once construction has been completed, these interim loans are converted to term debt by the banks. With regard to these term loans, the Province's contingent liability under each individual guarantee is determined as being limited to the lesser of the term loan or 20% of the aggregate of all term loans made by the Bank, less the total of all claims paid to the Bank by the Province with respect to these loans.

For the fiscal year ended 31 March 2011, the Province's contingent liability with respect to these guarantees is $28.8 million (31 March 2010 - $31.3 million).

4. Newfoundland and Labrador Immigrant Investor Fund Limited

The Corporation was incorporated on 28 April 2005 under the *Corporations Act* of the Province of Newfoundland and Labrador. The purpose of the Corporation is to administer and invest the Newfoundland and Labrador allocation of funds received from immigrant investors by Citizenship and Immigration Canada under its Business Immigration Program. The Province guarantees repayment of the funds received.

GUARANTEED DEBT (continued)

5. Student Loan Corporation of Newfoundland and Labrador

The Corporation was established on 30 March 2004 under the authority of the *Student Financial Assistance Act* for the purpose of funding and administrating loans to qualifying post-secondary students. On 31 March 2004, the Corporation borrowed $213.0 million, primarily to finance the purchase of the outstanding student loan portfolio from the previous service provider - a Canadian chartered bank. The Corporation has since reduced the principal amount by $71.0 million and during 2006-07 refinanced the balance for a term of five years. The borrowing is unconditionally guaranteed as to principal and interest by the Province.

6. Payments under Guarantee

During the 2010-11 fiscal year the Province made a $0.03 million payment as a result of a claim made by a chartered bank due to a default on payments by a fishing company on a guaranteed loan.

7. Valuation Allowance

The provision for guaranteed debt for 31 March 2011 is nil (31 March 2010 - nil).

Schedule H

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Losses, Uncollectible Accounts and Other Amounts Written Off
For the year ended 31 March 2011
with comparative figures for 2010

Department	2011 ($000)	2010 ($000)
Finance:		
Remissions	586	107
Tax forgiveness	1,411	3
	1,997	110
Human Resources, Labour and Employment:		
Overpayment of social assistance	209	692
Justice:		
Uncollectible accounts	110	722
Municipal Affairs:		
Uncollectible accounts	105	-
Health & Community Services:		
Uncollectible accounts	17	-
Labrador and Aboriginal Affairs:		
Uncollectible accounts	1	-
Education:		
Uncollectible accounts	-	159
Environment and Conservation:		
Uncollectible accounts	-	1
Total: Losses, Uncollectible Accounts and Other Amounts Written Off	2,439	1,684

Schedule I

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Trust Accounts
As at 31 March 2011
with comparative figures for 2010

	2011	2010
	($000)	($000)
Assets		
Registrar of the Supreme Court	32,766	33,680
Eastern Regional Health Authority Sinking Fund	10,670	9,324
Teachers' Accrued Salary Trust Account	8,726	7,387
Federal/Provincial Contractors' Security Account	6,516	4,068
Rate Stabilization Fund	6,025	4,923
Consolidated Tender Account	2,048	2,351
Support Enforcement	1,157	1,084
Provincial Courts Trust Account	452	365
Contractor's Security Account - Transportation and Works	390	55
Provincial Nominee Program	241	703
Churchill Falls (Labrador) Corporation Trust	227	14
Rooms Trust Account	94	94
Securities Payable	91	96
H.M. Penetentiary	86	74
Victims of Mount Cashel	81	80
High Sheriff of Newfoundland	74	91
Newfoundland and Labrador Youth Centre	27	33
Labrador Correctional Centre	8	5
Bishop's Falls Correctional Centre	8	7
School for the Deaf	6	7
West Coast Correctional Centre	3	4
Labour Standards Tribunal	2	4
Commercial and Corporate Affairs Trust	1	1
Chief Electoral Office Account	1	2
Newfoundland and Labrador Correctional Centre for Women	-	1
Total: Trust Accounts	69,700	64,463

Schedule J

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Revenue and Expense by Sector
For the year ended 31 March 2011

	General Government Sector and Legislative Branch	Resource Sector	Social Sector	Total
	($000)	($000)	($000)	($000)
REVENUE				
Provincial				
Taxation	2,931,252	45	-	2,931,297
Non-tax revenue	377,054	2,461,993	15,929	2,854,976
Related Revenue	97,383	19,527	31,138	148,048
Government of Canada	1,294,599	16,909	336,235	1,647,743
Total Sector Revenue	4,700,288	2,498,474	383,302	7,582,064
EXPENSE				
Salaries	213,432	100,381	208,923	522,736
Employee benefits	22,149	823	1,404	24,376
Retirement costs	343,822	-	-	343,822
Transportation and communications	16,187	15,715	15,015	46,917
Supplies	73,809	9,890	18,461	102,160
Professional services	28,774	11,691	352,682	393,147
Purchased services	233,255	74,953	117,253	425,461
Property, furnishings and equipment	(16)	3,956	54,419	58,359
Allowance and assistance	3,515	19	480,655	484,189
Grants and subsidies	37,972	115,598	3,708,245	3,861,815
Debt expenses	755,759	17,103	1,907	774,769
Amortization (tangible capital assets)	86,461	18,077	20,876	125,414
Bad debt expense	-	2,684	-	2,684
Total Sector Expense	1,815,119	370,890	4,979,840	7,165,849
SECTOR SURPLUS (DEFICIT)	2,885,169	2,127,584	(4,596,538)	416,215

REVENUE AND EXPENSE BY SECTOR (continued)

NOTE

Sectors

The sectors identified above are comprised of a broad array of programs which are delivered through the various departments and are consistent with the presentation of the 2010-11 Estimates. Revenues and expenses have been attributed to individual departments based on where the program is administered. Certain amounts have been allocated on a systematic basis. The sectors include the following departments:

General Government Sector and Legislative Branch
This sector consists of the Departments of Consolidated Fund Services, Executive Council, Finance, Government Services, Labrador and Aboriginal Affairs, Legislature, Public Service Commission and Transportation and Works.

Resource Sector
This sector consists of the Departments of Business, Environment and Conservation, Fisheries and Aquaculture, Innovation, Trade and Rural Development, Natural Resources and Tourism, Culture and Recreation.

Social Sector
This sector consists of the Departments of Child, Youth and Family Services, Education, Health and Community Services, Human Resources, Labour and Employment, Justice, Municipal Affairs and Newfoundland Labrador Housing Corporation.

Schedule K

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Reconciliation of Budgetary Contribution (Requirement) to Accrual
For the year ended 31 March 2011
with comparative figures for 2010

	2011		2010	
	Current	Capital	Current	Capital
	($000)	($000)	($000)	($000)
Budgetary Contribution (Requirement) - note	1,155,893	(702,962)	541,405	(532,471)
Less: Amounts capitalized	-	28,048	-	53,902
	1,155,893	(674,914)	541,405	(478,569)
Surplus (Deficit) - accrual	804,513	(388,298)	224,297	(304,578)
Difference	351,380	(286,616)	317,108	(173,991)
The difference is comprised of the following:				
Sinking fund earnings	(52,197)	-	(50,366)	-
Accrued retirement costs - interest	378,320	-	408,030	-
Accrued retirement costs - other	225,311	-	253,460	-
Amortization of foreign exchange gains/losses	(19,067)	-	(1,973)	-
Other debt expenses	11,283	(1,555)	(17,884)	(1,537)
Bad debt expenses	-	2,684	21	5,542
Amortization of tangible capital assets	-	125,414	-	94,219
Tangible capital asset acquisitions/adjustments - net	-	(379,625)	-	(238,087)
Inventories of supplies	(2,474)	-	(4,154)	-
Accrued revenues and expenses	(189,796)	(33,534)	(270,026)	(34,128)
Difference	351,380	(286,616)	317,108	(173,991)
		64,764		143,117

NOTE

The Budgetary Contribution (Requirement) for current and capital accounts are per the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the year ended 31 March 2011.